

# Exhibit 1



Emigrant Funding Corp.  
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May 27, 2014

Elizabeth Cohen, Esq.  
Associate Counsel  
Real Estate Finance Division  
New York State Department of Financial Services  
One State Street  
New York, NY 10004-1511

Re: Complaint of Victoria Stennett – Kensington Realty Group Corp. (BKM-2014-1046678)  
Emigrant Funding Corporation Loan No.  
Secured Property Address: a) 2408 Clarendon Road, Brooklyn, NY and  
b) 109 Amersfort Place, Brooklyn, NY

Dear Ms. Cohen:

Your email dated May 22, 2014 to Ms. Laurie Bigman of Emigrant Bank (the "Bank") regarding the above matter has been referred to me for a response.

This \$950,000 commercial mortgage, which secures the investment properties referenced above, is the subject of a contentious foreclosure which has been pending since July 14, 2011. The matter is now before Justice Ingrid Joseph of Kings County Supreme Court. It appears that the Bank's recent application for appointment of a receiver relative to the foreclosing multi-family building at 2408 Clarendon Road is the motivation behind Ms. Stennett's complaint to your office. The Bank's application was made necessary by Ms. Stennett's failure to maintain the Clarendon Road building which led to New York City's Department of Housing, Preservation and Development imposition of hundreds of violations, many of them classified as "C" violations constituting immediate hazards to the building's tenants. Given this history, the Bank has determined that the appointment of a receiver who would collect the rents and use them to properly manage the building is necessary and prudent.

The subject matter of the Complaint has been addressed by the Bank on numerous occasions, most recently in a letter to Ms. Allison Greenup of the Federal Deposit Insurance Corporation (FDIC), dated January 26, 2011 ("Greenup Letter"). A copy of the Greenup Letter is enclosed for your reference. Also enclosed are copies of the Bank's letters to a) Mr. Walter Lee, New York State Banking Department dated December 20, 2010, b) State Senator Kevin S. Parker dated December 8, 2009 and c) Kensington Realty Group Corp. dated May 22, 2009, all responsive to the same Complaint. These letters set forth the Bank's position concerning the Ms. Stennett's Complaint and provide details of the long and complicated history of the foreclosure action.

Finally, enclosed please find a May 7, 2011 letter from Mr. Paul Nash, Deputy to the Chairman for External Affairs of the FDIC, to Senator Charles E. Schumer concluding that Emigrant Bank acted prudently and closing the FDIC's investigation of a similar complaint filed by Ms. Stennett

I trust the enclosures are a satisfactory response in this matter. Thank you.

Very truly yours,

  
Peter Hollnsteiner  
President – Emigrant Funding Corporation